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A California State Agency

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Erik Vink, Executive Director

Delta Protection Commission 2101 Stone Blvd., Suite 210 West Sacramento, CA 95691

Re: Comments on the Delta Flood Risk Management Assessment District Feasibility Study

Dear Mr. Vink:

Thank you for the opportunity to review and comment on the Delta Flood Risk Management Assessment District Feasibility Study (DFRMADFS). Delta Stewardship Council (Council) staff supports your efforts to identify the most feasible finance mechanisms that could be used to generate revenues to fund maintenance, repair, rehabilitation and improvements to reduce flood risk in the Delta.

Council staff appreciates the efforts of the Delta Protection Commission (DPC) to address Risk Reduction Recommendation 2 from the 2013 Delta Plan which stated "The Legislature should create a Delta Flood Risk Management Assessment District with fee assessment authority (including over State infrastructure) to provide adequate flood control protection and emergency response for the regional benefit of all beneficiaries, including landowners, infrastructure owners, and other entities that benefit from the maintenance and improvement of Delta levees, such as water users who rely on the levees to protect water quality."

Council staff supports DPC's recommendation to coordinate with the Department of Water Resources (DWR), Central Valley Flood Protection Board (CVFPB), and the Council to further investigate and develop the funding mechanisms identified in the feasibility study. We would like to emphasize the importance of coordination and timing of this work with both the 2017 Central Valley Flood Protection Plan (CVFPP) and the 2018 Delta Plan review. The CVFPP has made a recommendation to reinstate the Sacramento-San Joaquin Drainage District Assessment. The DFRMADFS and CVFPP efforts appear to be addressing similar issues, regional areas, identified beneficiaries and, in some cases, the same funding mechanisms. Draft policies and recommendations developed as part of the Council's Delta Levees Investment Strategy may be evaluated as part of the 2018 Delta Plan review and funding

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recommendations may be considered, as well. This is an opportunity to coordinate the development of significant policy changes that could enhance the way flood projects are funded and managed into the future.

The beneficiary-pays approach is consistent with the direction and recommendations of the Delta Plan, and Council staff encourage the continued efforts to determine how best to implement this approach to finance levee work. As the beneficiary-pays approach is being reviewed, we suggest that DPC look for mechanisms or opportunities to share revenue across reclamation districts. Throughout the development of the Council's Delta Levees Investment Strategy, stakeholders have stated that the Delta levees function as a system and the flooding of an island could have detrimental effects on a neighboring island. It has also been stated by stakeholders that not all reclamation districts have the same ability to pay for maintenance or improvements. Therefore, it could be useful to identify a mechanism or process that identifies the "funding need" of those reclamation districts with less ability to pay and matches that need to neighboring reclamation districts with greater ability to pay, if all districts are beneficiaries of a well maintained levee system.

As the DPC moves forward to identify ways of implementing identified funding mechanisms and a beneficiary-pays approach, it may be prudent to examine the governance of the Delta in an effort to improve implementation efficiency. The number and diversity of agencies involved in levee maintenance, improvement, and oversight complicates coordination and effective management of the Delta's levee network. Opportunities to improve governance should be explored such as: reorganization of State agencies' oversight responsibilities in fewer agencies or creation of joint powers agencies. Consolidations of reclamation districts or other local levee maintaining agencies could also be considered.

Once again, I thank you for the opportunity to review and provide comments on the Delta Flood Risk Management Assessment District Feasibility Study and I look forward to continuing to work with DPC on this effort. If you would like to discuss any of the suggestions included in this letter, please contact Dustin Jones at Dustin. Jones @deltacouncil.ca.gov or 916-445-5891.

Sincerely,

Cassandra Enos-Nobriga **Deputy Executive Officer**

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Delta Stewardship Council